

# ADMINISTRATION INVOICES

## OVERVIEW

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**Background** Maternal, Child and Adolescent Health (MCAH) reimburses agencies for actual costs incurred in meeting the objectives as specified in the Scope of Work (SOW), not to exceed the approved program budget.

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**Purpose** The purpose of this Section is to provide information regarding general policy requirements regarding the administration of invoices

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# **ADMINISTRATION INVOICES**

## **GENERAL POLICY AND REQUIREMENTS**

### **Policy**

Agencies are responsible for Federal audit exceptions and must indemnify the State in the event any exceptions are found, such as services listed below.

- Services ineligible for Federal Financial Participation (FFP).
  - Services for which there is no proper FFP match.
  - Services for which Agency dollars are not expended as invoiced when claiming FFP.
  - MCAH Branch approval and payment of invoices is not evidence of allowable costs. Allowable costs are determined by means of a State and/or Federal fiscal and program audit.
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### **Requirements**

- Expenses requiring prior written approval will be reimbursed only if approval has been granted.
- Personnel costs invoiced must be based on either a time card or a time study (for all personnel claiming FFP), rather than approved budget documents. Budget documents are only an estimate of expenditures.
- Invoices claiming FFP must be accompanied by an approved time study report for each person claiming FFP. The time study report must reflect 100 percent of employee's time and at minimum contain the following information:
  - Agency Name
  - Time study period
  - First and last name of employee
  - Employee classification or title
  - Budget line number
  - Percent of time studied to each program listed
  - Percentage of time by activity classification
    - Enhanced – (75/25)
    - Non-Enhanced – (50/50)
    - Unmatched
  - Medical-Cal factor for each program listed.
- This report is contained in the MCAH FFP Calculation file. Agencies must use the current version of the FFP Calculation File or an MCAH Branch approved alternate.

# **ADMINISTRATION INVOICES**

## **GENERAL POLICY AND REQUIREMENTS**

### **Requirements (Continued)**

- All invoices are to be submitted quarterly with the exception of County Based Organizations (CBO's) that are approved to invoice monthly.
  - Invoices that contain a reimbursement request for a Capital Expenditure, or for inventory-controlled items from the other Cost Detail Section of the Operating and other Costs Detail Worksheet, must include a HAS 1203 form listing the purchased items. Use a copy of the HAS 1203 located in the Forms Section of this Policy and Procedure Manual. Instructions for completing the HAS 1203 are in the forms section.
  - Negative balances are not allowed on any Invoice document, EXCEPT to adjust for an overpayment of a prior invoice.
  - Invoices must be submitted with 45 calendars after the close of the billing period, and must include the following:
    - Cover letter
    - Invoice (in both hard copy and electronic file)
    - Time Study Report for each staff claiming FFP, and
    - HAS 1203, if applicable.
  - The final invoice, which may be a supplemental invoice, must be postmarked no later than 90 calendar days after the Agreement's expiration date or termination date, or the fiscal year end (whichever is earlier).
  - MCAH will review the invoice for correct format, accuracy, and available funds.
  - MCAH may return any invoice that cannot be processed by Branch staff within 15 days of receipt.
  - MCAH Branch approves and submits invoices to the Department's accounting office for review and approval prior to submission to the State Controller's Office for payment.
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# **ADMINISTRATION INVOICES**

## **GENERAL POLICY AND REQUIREMENTS**

### **Procedures**

- Agencies always have the option to invoice less than the allowable amount. This may be required if the budget is overspent in one column and under spent in another, resulting in the need to move funding from an Enhanced rate (75/25) to a Non-Enhanced rate (50/50), or from matched funds to unmatched funds.
- Information entered on the invoice will automatically update the Fund Reconciliation Worksheet. This worksheet should be reviewed before submitting invoices to avoid payment reductions due to insufficient funds.
- Agencies must submit a signed original invoice (without any whiteout or correction tape), and two copies of the cover letter and invoice to the address below. Agencies must also submit the template file by electronic media or email.
- Agencies must submit a complete invoice package containing the following documents:
  - Cover letter on official Agency letterhead that include the following:
    - ❖ Date the cover letter was prepared
    - ❖ Agreement Number as shown on your approval letter
    - ❖ Invoice number
    - ❖ Total amount of the invoice
    - ❖ Inclusive dates for invoicing period
    - ❖ Contact Name and telephone number
    - ❖ Original signatures
  - Explanation included into invoice cover letter regarding any variance from the approved budget, such as:
    - ❖ Personal changes or vacancies; in addition to, or
    - ❖ Substitutions of, items budgeted under Other Costs;
    - ❖ Adjustments or corrections from a prior quarter; or time studies that were completed during a non-regular time study month.
  - Invoices and reconciliation sheet that include the following:
    - ❖ Original signatures by the Agency's fiscal agent and Program Director below the certification statements
    - ❖ Appropriate expenditures according to the approved program budget
    - ❖ Agreement number as shown on the budget approval letter

# **ADMINISTRATION INVOICES**

## **GENERAL POLICY AND REQUIREMENTS**

### **Procedures (Continued)**

Agencies should submit all fiscal documents to the address referenced below.

Department of Health Services  
Maternal, Child and Adolescent Health/  
Office of Family Planning Branch  
Attn: "Contract Manager Name"  
1615 Capitol Avenue, MS 8305  
P.O. Box 997420  
Sacramento, CA 95899-7420

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## **SPECIAL CIRCUMSTANCES**

### **Policy**

- Agencies must contact their Contract Managers to request special circumstance approval regarding the processing of their invoices.
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### **Procedures**

The following procedures are to be followed when requesting special circumstances:

- All corrections/adjustments to invoices already submitted and paid are to be made on a subsequent invoice rather than a Supplemental Invoice. Such corrections/adjustments must be entered and noted on a separate invoice line as well as noted on the Invoice Cover Letter.
- FOR CBO's ONLY – invoices based upon grant amendment changes cannot be paid until the amendment is executed. The final invoice submission deadline will be 30 days from the date the amendment is executed.
- CBO's experiencing cash flow problems may request to invoice monthly. This must be discussed with your Contract Manager and will be approved on a case-by case basis.

# **ADMINISTRATION INVOICES**

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## **SUPPLEMENTAL INVOICES**

### **Policy**

- A Supplemental Invoice is to be used only when the Agency determines additional charges are necessary after all invoices have been submitted and processed by the MCAH Branch.
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### **Procedure**

- If a Supplemental Invoice is being submitted, it must meet all the requirements for a standard invoice as noted above and must additionally:
  - Be titled "Supplemental Invoice"
  - Reflect only the amount of the supplemental billing, and;
  - Reflect the same percentage distribution as the invoice period in which the cost was incurred.